



School Business Alert

February 2017

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Division Administrator, School Finance and Support Services

Matt Coulter will be joining the Department of Education as the Division Administrator for School Finance and Support Services. Matt has served in this role in an interim capacity for the past three months while also continuing in his position as the chief financial officer (CFO) and bureau chief for Administrative Services at Iowa Vocational Rehabilitation Services (IVRS). Matt will continue to serve in both roles in the weeks ahead and will then transition to his full-time position at the Department on March 10.

Matt brings a wealth of experience to the Department. He has been a leader at IVRS for 18 years. He previously served as CFO at the Iowa Department of Agriculture and from 1990 – 1994 was the accounting supervisor here at the Department of Education.

At this time, communication should continue to be directed to [Tom Cooley](#), (515.725.1120), Chief, Bureau of Finance, Facilities, Operation and Transportation Services.

FINANCIAL

February 2017 Income Surtax Payments

Message from the Department of Management:

The February 2017 income surtax payment is the second and final income surtax payment for the 2015 income tax year. The payment represents one-quarter of the amount of income surtaxes collected for your district, plus or minus any adjustments made by the Department of Revenue.

This payment is based upon the income surtax rates established for your **2015-2016 budget**. If you didn't have a surtax for the Physical Plant and Equipment (PPEL) Fund, the entire payment should be credited to your General Fund. On the other hand, if you had both General Fund and PPEL surtax, then split the income surtax in accordance with the rates. The PPEL Income Surtax rate can be found on line 19.4 of the Aid and Levy Worksheet. The General Fund income surtax rates can be found on lines 10.15 and 11.4.

Here is the [link](#) for the payment by fund.

State Allocations and Selected Federal Allocations

A comprehensive listing of state, federal, and local dollars for each school district has been compiled. Please see the [2016-2017 allocation summaries](#).

GENERAL INFORMATION

Addressing Your Special Education Questions

Some districts have asked questions that we thought would be helpful information for all districts.

Special Education Foster Care Claims

"Foster Care" is used as the title for this claim, but this could be misleading to school districts. It does not mean all students under foster care should be reported as such on a claim. This student status should only be used if all the following items are applicable:

- The student is served pursuant to an Individualized Education Program (IEP);
- Parental rights have not been terminated;
- The parents do not live in Iowa, or where they live cannot be determined after reasonable efforts to locate them; and
- No Iowa school district counted them on the special education weighted headcount in October of the current school year.

If any one of these items is not applicable, the district needs to bill the district where the parents lived on the dates served, or bill the district that counted the student on the special education count if the parents moved out of state or could not be located after due diligence. Use the Look Back Tool Application to find which district, if any, counted the student on the special education weighted headcount in October of the current school year.

Special Education Termination of Parental Rights Claims

This student status should only be used if all the following items are applicable:

- The student is served pursuant to an IEP;
- The parental rights of the student have been terminated; and
- No Iowa school district counted them on the special education weighted headcount in October of the current school year.

The district needs to bill the district where the parents lived on the dates served prior to termination of rights or bill the district that counted the student on the special education count if the parents' rights were terminated on the days served. Use the Look Back Tool Application to find which district, if any, counted the student on the special education weighted headcount in October of the current school year.

Special Education Nonpublic Claims

This student status should only be used if all the following items are applicable:

- The student is served pursuant to an IEP;
- The student is attending an accredited nonpublic school for general education services while receiving special education services from the public school district; and
- The cost of providing special education services to the student exceeds the funds generated by the resident district for counting the student on its special education count (billed to the resident district if you are not the resident district) and those funds generated by your district by counting the student as nonpublic shared time on the certified enrollment (if services were provided in the public school and not at the nonpublic school location).

Special Education High Cost Fund Claims

This student status should only be used if all the following items are applicable:

- The student is served pursuant to an IEP;
- The costs of educating the student exceed three times the state's average per pupil special education expenditure, as calculated annually by the Department, plus the calculated amount of Medicaid eligible expenditures; and

- The claim filed by the local education agency (LEA) or AEA does not qualify as a foster care claim, termination of rights claim, or a nonpublic claim under current Iowa law.

High Cost Fund Claims are paid by the state from a set-aside portion of IDEA Part B. The amount set aside might be less than the total of high cost fund claims received. In that case, the amount paid to each district will be prorated. If a claim is filed late, funding will not be available to cover that high cost fund claim because the available funding will already have been allocated to districts which timely filed.

Contracts and Agreements Between a District and Another Party

School districts may enter into written agreements with specified parties. Best practice would follow the guidelines noted in Iowa Code 28E, even if the agreement is not a 28E contract. All contracts and agreements obligating funds of the district must be signed by the board president. Contracts signed by other school officials may not be enforceable. It's always wise to have the school's attorney review a contract or agreement prior to signing.

If you have further questions, please contact [Bill Roederer](#), 515.281.7972.

ELI Appropriate Uses

There seems to be some confusion about the difference between early literacy (ELI) funding and early intervention (EI) supplement funding.

ELI funding is provided for costs related to students who have been identified as having a substantial deficiency in reading. The funding is not generic to simply K-3 instruction. Instead, the costs are for identified students and are costs above and beyond the general instruction provided to all K-3 students.

Generic costs for all students, K-3, including both identified students and those not identified would come from the Iowa early intervention (per pupil) supplement (EI) if the district has not already obligated those funds. If obligated, then the costs of these K-3 programs would come from the general purpose funding provided to the district through the regular program district cost.

If you have further questions, please contact [Su McCurdy](#).

Certified Annual Report

PDF reports are now available in the FY16 CAR. The Create Your Own Report is still not working in FY16, but it is accessible in the FY15 CAR (enter the year of 2016 in the criteria). If you should find any issues or have questions, please contact [Denise Ragias](#), 515.281.4741 or [Janice Evans](#), 515.281.4740.

FY16 Budget Crosswalk Report

Districts have reported an issue with the FY16 Budget Crosswalk report with line 22 not totaling correctly. It appears this issue has now been resolved. Districts may want to verify their use of the correct number.

For further information, contact [Denise Ragias](#), 515.281.4741.

Data for FY17 Certified Annual Financial Report

Two documents have been updated for FY17 and posted to the Department's website. The 2016-2017 District AEA Flowthrough Amounts and the 2016-2017 Sources for Local Projects documents are available under the heading "Data Used to File FY17 CAR" on the webpage [Certified Annual Financial Reports](#) (CAR).

For further information, contact [Denise Ragias](#), 515.281.4741.

Teacher Leadership and Compensation Grants Budgeting and Coding

As a reminder, all districts will receive the Teacher Leadership and Compensation (TLC) funding through state aid in FY18 and will include that revenue on Row 10, State Foundation Aid, on their budget.

The expenditure functions will depend on how the district uses the funds. It is anticipated that many of the expenditures would be on Row 25, Instructional Staff Support Services (Function 221x). Be cautious of using Row 23, Instruction (Function 1xxx), as

the definition of instruction includes the activities dealing directly with the interaction between teachers and students. Look at the district's application, including the estimated budget, to see how the grant will be used; that will help determine which functions are appropriate. The source and project code for the first year grants is 3387, Teacher Leadership Grants. The source and project code for the second year funding is 3116, Teacher Leadership State Aid.

For further questions, please contact [Janice Evans](#), 515.281.4740.

UPCOMING DEADLINES

Due Date

What's Due

Feb. 15	Last day to bill for first semester tuition
Feb. 15	Last day to bill for first semester special education tuition
Feb. 17	Determine number of students participating in whole-grade sharing for second semester
March 31	Last date to submit LEA and AEA electronic annual audit of prior year to the Department and Auditor of State's Office

[Click](#) to access current and past issues of the School Leader Update.

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If you have suggestions for future SBA articles,
please submit to [Marcia Krieger](#).

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